

## **Street Financing Funding Sources/Options**

### **Bond Financing**

- General Obligation Bonds
- Highway Allocation Bonds – Bonds currently authorized under Nebraska Statute for street construction secured by pledge of receipts from highway allocation funds. These are not Revenue Bonds and bear the full faith and credit of the municipality issuing the bonds.
  - City's share of Federal Fuel Tax
  - City's share of State Fuel Tax
  - City Wheel Tax – Is this bondable?

### **Sales Tax**

- Lincoln is currently at the maximum levy for sales tax authorized by state law at 1.5%. Increasing the City Sales Tax above 1.5% would require:
  - A change in State Law
  - Vote of the citizens of Lincoln
- Any portion of the current 1.5% Sales Tax can be reallocated by city government and dedicated to specific purposes, however this will mean an immediate increase in property taxes to offset the loss of revenue currently being used to fund government operation.

### **New sales tax levied on all auto sales**

- Lincoln is currently at the maximum levy allowed by state law (1.5%) for any sales tax.
- Implementation of a new sales tax levied on auto sales would require:
  - Authorization by state
  - Vote of the citizens of Lincoln

### **New “additional” sales tax levied on sales generated from a retail shopping center**

- Similar to impact fee concept
- Require:
  - Authorization by state law
  - Vote of the citizens of Lincoln
- Investigating how this is done in other communities

### **City Income Tax**

- Implement a city income tax dedicated specifically to street construction
- Requires:
  - Authorizing Legislation by the State
  - Vote by the citizens of Lincoln

### **Occupation Tax**

- Levy a tax on the sale of fuel at retail point of sale
  - Occupation Tax currently authorized by State Law and City Statute
  - Requires Vote of the City Council

### **Special Assessment Districts**

- Creation of specifically designated areas or districts where special assessment taxes are levied against property owners to fund specific improvements.
  1. Special assessment districts created within city limits
  2. Special assessment districts created outside city limits
  3. Special Assessment Revolving Fund
  4. Sanitary and Improvement Districts (SID)

### **Miscellaneous Ideas**

- Reallocate and dedicate tax revenues to road construction:
  - City's share of Federal Fuel Tax
  - City's share of State Fuel Tax
  - Property Tax
- Storm Water Utility
- Tax increment financing